

Pursuant to Article 68 of the Budget System Law (“Official Gazette of the Republic of Serbia”, No. 54/09, 73/10, 101/10, 101/11, 93/12 and 62/13) and Article 42, Paragraph 1 of the Law on Government (“Official Gazette of the Republic of Serbia”, No. 55/05, 71/05 – correction, 101/07, 65/08, 16/11, 68/12 – Decision of the Constitutional Court and 72&12), and in connection with Articles 6, 7 and 8 of the Law on endorsing the Framework Agreement between the Government of the Republic of Serbia and the Commission of the European Communities on the Rules for Co-Operation concerning EC-Financial Assistance to the Republic of Serbia in the Framework of the Implementation of the Assistance under the Instrument for Pre-Accession Assistance (IPA) (“Official Gazette of the Republic of Serbia – International Agreements“, number 124/2007),

the Government issues the following

## **DECREE**

### **ON THE MANAGEMENT OF EU PRE-ACCESSION ASSISTANCE PROGRAMMES UNDER COMPONENT I OF THE INSTRUMENT FOR PRE-ACCESSION (IPA) – TRANSITION ASSISTANCE AND INSTITUTION BUILDING FOR THE PERIOD 2007-2013**

#### **I INTRODUCTORY PROVISIONS**

##### **Article 1**

The Decree shall further define the method for managing European Union (EU) pre-accession assistance programmes funded under Component I of the Instrument for Pre-Accession Assistance (IPA) – Transition Assistance and Institution Building for the period 2007 – 2013 in the Republic of Serbia, the responsibilities of the responsible persons and bodies, as well as the means of regulating their interrelations, with regards to the preparation, coordination, implementation, monitoring, evaluation and reporting on the implementation of sector supports and/or projects funded under IPA Component I in the system for the decentralised management of EU pre-accession assistance to the Republic of Serbia.

##### **Definitions**

##### **Article 2**

Specific terms used in this Decree shall have the following meaning:

- 1) **Instrument for Pre-Accession Assistance (IPA):** refers to the EU financial instrument supporting the EU enlargement strategy with the purpose of providing assistance to candidate and potential candidate countries in the accession process to the EU;
- 2) **IPA Component I – Transition Assistance and Institution Building:** refers to the first out of five components comprising the IPA, whose objective is to provide support to candidate

and potential candidate countries in fulfilling the political and economic criteria for accession, as well as assuming the responsibilities deriving from EU membership in the accession process;

3) **Decentralised Management:** refers to one of the management modes for EU funds in which the accredited national bodies perform duties pertaining to programming, contracting, implementation, execution of payments, as well as monitoring and evaluation of the adopted Annual National Programmes;

4) **Accreditation Package:** refers to the set of documents confirming the compliance with the requirements for the candidate country for decentralised management of EU pre-accession assistance by the persons and bodies responsible for the management of EU pre-accession assistance. It is submitted by the beneficiary country to the European Commission with the request for the Conferral of Management Powers for managing EU pre-accession assistance programmes;

5) **Conferral of Management Powers:** refers to the procedure where some body or a set of bodies which have met the established accreditation criteria are conferred competencies and powers for decentralised management of EU pre-accession assistance programmes based on the relevant decision of the European Commission;

6) **Annual National Programme:** refers to the set of approved sector supports and projects funded from an annual programme allocation, within IPA Component I, and it is implemented based on the respective signed Financing Agreement between the Government of the Republic of Serbia and the European Commission;

7) **Sector support:** refers to a programme document at the sector level, which defines the priorities, objectives, measures and operations for their implementation in accordance with the adopted sectoral strategy;

8) **Project:** refers to a set of activities contributing to the achievement of a clearly established objective, within a defined time frame and budget, which is implemented through a contract which is concluded between the Contracting Authority and the Contractor;

9) **Measure:** refers to a group of activities achieving a specific result within the sector support, and it is implemented through operations;

10) **Grant:** refers to non-repayable funds allocated to an entity or organization for the implementation of the predefined activities and they are regulated by an agreement or contract between the Grant beneficiary and the Contracting Authority according to the EU rules;

11) **Beneficiary:** the Government of the Republic of Serbia on behalf of the Republic of Serbia;

12) **Final Beneficiary:** refers to a state administration authority responsible for the proposal and implementation of sector supports/measures and/or projects. The Final Beneficiary can at the same time be an End Recipient.

13) **End Recipient:** refers to a state administration authority, local self-government, or other organisation, which in accordance with the provisions of an End Recipient Agreement participates in the implementation of a contract through which sector supports/measures and/or projects are implemented, and to which the ownership of the goods/outputs provided on the basis of the same contract is transferred, irrespective of whether it is a service, supply or works contract;

- 14) **Contractor:** refers to a service provider (including Twinning Partner), supplier of goods, works contractor or Grant beneficiary who concludes a contract with the Contracting Authority;
- 15) **Principle of Sound Financial Management:** refers to the set of principles ensuring accurate, transparent, economical, efficient and effective treatment of operations/contracts, transactions and funds during the course of the implementation of the EU pre-accession assistance programs.
- 16) **Irregularity:** refers to any infringement of the applicable regulations and contract conditions which is the result of an action or omission of the staff of any responsible body in the system for decentralized management of EU funded Pre-Accession programs, a Contractor, final beneficiary or End Recipient, which has, or would have, the effect of prejudicing the general budget of the EU by charging an unjustified item of expenditure to the general budget

## **II BODIES AND RESPONSIBLE PERSONS IN THE SYSTEM OF MANAGEMENT OF PRE-ACCESSION ASSISTANCE PROGRAMMES UNDER IPA COMPONENT I**

### **Responsible Persons and Bodies**

#### **Article 3**

The following responsible persons and bodies shall be designated within the system for the decentralised management of EU pre-accession assistance programmes, under IPA Component I,

- 1) The National IPA Coordinator (*National IPA Coordinator - NIPAC*)
- 2) The Competent Accrediting Officer (*Competent Accrediting Officer - CAO*)
- 3) The National Authorising Officer (*National Authorising Officer - NAO*)
- 4) The National Fund (*National Fund - NF*)
- 5) The Operating structure for the implementation of the pre-accession assistance programmes under IPA Component I.

The rights and obligations of the responsible persons and bodies referred to in this article, as well as their interrelations shall be regulated by specific Implementing Agreements, as defined in Article 15 of this Decree, Operating Agreements, from Article 16 of this Decree, End Recipient Agreements, from Article 17, as well as the Manuals of procedures regulating the operational activities and execution of delegated tasks, from Article 18 of this Decree.

### **National IPA Coordinator**

#### **Article 4**

The National IPA Coordinator is a high-ranking official of the Government or state administration of the Republic of Serbia. The National IPA Coordinator shall be appointed by the Government.

The National IPA Coordinator bears the responsibility for the overall coordination and implementation of financial assistance under IPA Component I in terms of achieving objectives

and delivering results, the harmonization of the accession process and the use of pre-accession assistance, and cooperation with the European Commission related to the use of IPA Component I.

The National IPA Coordinator shall be responsible for:

- 1) Ensuring coherence, coordination and harmonisation of programmes funded under IPA Component I with programmes funded under other IPA components, so as to achieve their optimum effect;
- 2) Annual programming under IPA Component I at national level and establishing procedures for programming under IPA Component I and the roles and responsibilities of all institutions participating in the programming process, based on the principles of sound financial management;
- 3) Implementation of national programmes, sector supports and projects financed within IPA Component I in terms of achieving objectives and delivery of results;
- 4) Monitoring the implementation of IPA Component I, at the level of Annual National Programmes, sector supports and projects, and establishing procedures for monitoring implementation of sector supports and/or projects funded under IPA Component I, as well as supervising the implementation of corrective measures;
- 5) Providing binding instructions and directions to the Operating Structure, from Article 9 of this Decree, for issues falling under NIPAC competence;
- 6) Preparing and submitting to the European Commission Annual and Final Reports on Implementation of IPA, as well as preparing and submitting to the European Commission Annual and Final Reports on Implementation of IPA TAIB;
- 7) Organizing the meetings of the IPA Monitoring Committee, the TAIB Committee, Sectoral Monitoring Sub-Committees as well as co-chairing the IPA Monitoring Committee with European Commission;
- 8) Monitoring the sustainability and effects of the sector supports and/or projects funded under IPA, monitoring the fulfilment of preconditions for initiation of the public procurement process, as well as the use of the goods provided from IPA funds by End Recipients after the realisation of contracts through which sector supports and/or projects are implemented;
- 9) Organising the evaluation procedure of the programmes funded under IPA Component I at all levels, and establishing the respective procedures for the implementation of these procedures;
- 10) Ensuring visibility and publicising information on using funds under IPA Component I in accordance with EU rules and requirements, and establishing the respective procedures for the implementation of these activities.

Expert and administrative-technical tasks of the National IPA Coordinator shall be performed by the National IPA Coordinator Technical Secretariat.

## **Competent Accrediting Officer**

### **Article 5**

The Competent Accrediting Officer shall be the minister in charge of financial affairs.

The Competent Accrediting Officer shall be responsible for:

- 1) Issuing, monitoring and suspending or withdrawing the accreditation of the National Authorising Officer and the National Fund;
- 2) Obtaining the assurance of the fulfilment of all the criteria necessary for maintaining the Accreditation referred to in paragraph 1 of the Article, ;
- 3) Approving Manuals of Procedures regulating work arrangements and performance of delegated tasks for the National Authorising Officer/National Fund;
- 4) Informing the European Commission on the accreditation of the National Authorising Officer, and on the changes pertaining to his/her accreditation.

## **National Authorising Officer**

### **Article 6**

The National Authorising Officer shall be appointed by the Government, at the proposal of the Competent Accrediting Officer.

The National Authorising Officer shall be responsible for the overall financial management of EU funds in the Republic of Serbia and effective functioning of the management and control system under IPA in terms of providing legal and regular expenditure.

The National Authorising Officer shall be responsible for:

- 1) Providing assurance about the regularity and legality of underlying transactions;
- 2) Submitting to the Commission Certified Statements of Expenditure together with Requests for funds to the European Commission;
- 3) Verifying the existence and correctness of the co-financing elements;
- 4) Providing binding instructions and directions to the Operating Structure, from Article 9 of this Decree, and monitoring its work for issues falling under his competence;
- 5) Issuing, monitoring and suspending or withdrawing the accreditation of the Operating Structures for IPA Component I;
- 6) Ensuring the existence and effective functioning of systems of management of assistance under IPA Component I;
- 7) Ensuring that the system of internal control concerning the management of funds is effective and efficient;
- 8) Issuing a Statement of Assurance and reporting on the management and control system to the European Commission;
- 9) Ensuring that a proper reporting and information system is functioning;

- 10) Implementing corrective measures in accordance with the findings of the national auditors and European Commission auditors, and reporting to the European Commission on the implemented measures;
- 11) Notifying the Commission, with a copy of the notification to the CAO, any significant change concerning the management and control systems;
- 12) Ensuring the identification and immediate communication of any irregularity to the European Commission;
- 13) Making the financial adjustments required in connection with irregularities detected;
- 14) Ensuring proper reporting and follow up of proceedings related to cases of suspected fraud;
- 15) Establishing the Manuals of Procedures specifying his/her responsibilities and the cooperation with the Competent Accrediting Officer, National IPA Coordinator, National Fund, Operating Structure, from Article 8 of this Decree;
- 16) Providing recommendations to the National IPA Coordinator, in the programming phase, with regards to the implementability of the proposed sector supports and/or projects, in terms of administrative capacities for implementation.

The National Authorising Officer may engage independent external auditors in order to perform an additional audit of the institutions comprising the system for decentralised management of EU pre-accession assistance under IPA Component I.

## **National Fund**

### **Article 7**

The ministry responsible for financial affairs shall perform the tasks of the National Fund.

The National Fund shall be responsible to the National Authorising Officer.

The National fund shall be responsible for:

- 1) Performing operational activities of financial management and control of the use of EU pre-accession assistance funds from which Annual National Programmes under IPA Component I are funded;
- 2) Ensuring cooperation with internal units and authorities within the ministry responsible for financial affairs which perform tasks of budget planning, budget execution, harmonization of the financial management and control system and internal audit methodology, and accounting and financial reporting, so that the financial management and accounting system within the system for decentralised management of EU pre-accession assistance complies the requirements of the European Commission ;
- 3) Keeping accounting records and ensuring financial reporting according to the European Commission requirements and in accordance with the Manuals of procedures regulating work arrangements and execution of delegated tasks, referred to in Article 18 of this Decree;

- 4) Preparing Certified Statements of Expenditure and Request for Funds to be submitted to the European Commission;
- 5) Providing recommendations to the National Authorising Officer within its scope of responsibility with regards to the implementability of sector supports and/or projects in the process of programming of the Annual National Programmes under IPA Component I;
- 6) Supporting the National Authorising Officer in supervising the work of the Operating Structure for the implementation of programmes of pre-accession assistance under IPA Component I, including performing on-the-spot checks;
- 7) Establishing the system for recognizing and reporting on irregularities, follow-up of the corrective measures and recovery of funds in case of irregularities;
- 8) Providing support, if necessary, to the work of the IPA Monitoring Committee;
- 9) Performing other tasks as set out in the relevant Manual of procedures regulating the operational activities and execution of delegated tasks from Article 18 of this Decree.

### **III OPERATING STRUCTURE FOR THE MANAGEMENT OF PROGRAMMES OF EU PRE-ACCESSION ASSISTANCE UNDER IPA COMPONENT I**

#### **Operating Structure for the Management of Programmes of EU Pre-accession Assistance under IPA Component I**

##### **Article 8**

The Operating Structure for the Management of Programmes of EU Pre-accession Assistance under IPA Component I shall be established as a group of responsible persons and bodies within the state administration which is responsible for the management of EU pre-accession assistance under Component I.

The responsible persons and bodies within the Operating Structure, referred to in Paragraph 1 of this Article, shall perform their tasks according to the relevant provisions of the signed Financing Agreements, based on which Annual National Programmes are implemented under IPA Component I, the Implementing Agreements, from Article 15 of this Decree, the Operating Agreements, from Article 16 of this Decree, the End Recipient Agreements, from Article 17 of this Decree, as well as the Manuals of procedures regulating the operational activities and execution of delegated tasks from Article 18 of this Decree.

##### **Responsible Persons and Bodies**

##### **Article 9**

The Operating Structure, as set out in Article 8, shall consist of:

- 1) The National IPA Coordinator Technical Secretariat,
- 2) The Programme Authorising Officer;
- 3) The Senior Programme Officers;

- 4) The Contracting Authority;
- 5) IPA Units.

## **The National IPA Coordinator Technical Secretariat**

### **Article 10**

The National IPA Coordinator Technical Secretariat shall be appointed by the Government.

The National IPA Coordinator Technical Secretariat shall be responsible for:

- 1) Coordinating the programming of IPA funds, as well as identifying and determining the priorities to be financed under IPA Component I;
- 2) Providing support to the National IPA Coordinator in establishing the procedure for programming and monitoring under IPA Component I and defining the roles and responsibilities of the institutions in the programming and monitoring process;
- 3) Coordinating the programming process under IPA Component I, monitoring the programming process and supporting the institutions involved in programming;
- 4) Providing technical support to the National IPA Coordinator in establishing, chairing and organizing the work of the IPA Monitoring Committee, TAIB Committee and relevant Sectoral Monitoring Sub-Committees;
- 5) Assisting the National IPA Coordinator in the preparation of Annual and Final IPA Implementation Reports, as well as the preparation of Annual and Final TAIB Implementation reports;
- 6) Collecting and analysing regular sector support and project monitoring reports in terms of achievement of the purpose and objectives;
- 7) Preparing regular monitoring reports for the TAIB Sectoral Monitoring Sub-Committees;
- 8) Organizing and implementing the procedure of monitoring the implementation of sector supports/measures and/or projects, as well as supervising the implementation of recommendations resulting from the monitoring process. Monitoring of implementation is performed until minimum one year after the execution of the last contract within sector supports and/or projects;
- 9) Monitoring of the fulfilment of preconditions for the initiation of the public procurement procedures within the sector support/ project;
- 10) Consultations with the Programme Authorising Officer with regards to planning of procurement funded by IPA Component I and monitoring the implementation of procurement and contracting;
- 11) Implementing adequate measures aimed at ensuring the visibility of activities funded by IPA, including developing and monitoring the implementation of the IPA Communication Strategy;



The National IPA Coordinator shall establish the procedures regulating the operational activities and execution of delegated tasks, as defined in Article 18 of this Decree, for the National IPA Coordinator Technical Secretariat.

## **Programme Authorising Officer**

### **Article 11**

The Programme Authorising Officer shall be designated by the National Authorising Officer, following consultation the National IPA Coordinator, for managing the Contracting Authority

The Programme Authorising Officer shall be responsible for organizing and executing the activities with the scope of the Contracting Authority, performed by the Operating Structure, as set out in Article 8 of this Decree, pertaining to the implementation of contracts through which sector supports and/or projects are executed, as well as ensuring the legality, regularity of activities under his scope of responsibilities within the Operating Structure.

The PAO shall be accountable to the National IPA Coordinator for the delivery of results/ outputs within contracts.

The Programme Authorising Officer shall be responsible for:

- 1) Establishing the system for implementing public procurement procedures, contracting, contract management and implementation, control of the fulfilment of contractual obligations, execution of payments to Contractors and ensuring recovery of funds from Contractors, Final Beneficiaries and End Recipients in case of irregularities, and submitting Requests for payments to the National Fund;
- 2) Concluding contracts for the implementation of sector supports/measures and/or projects funded by EU pre-accession assistance under IPA Component I, on behalf of the Beneficiary;
- 3) Delivering contract outputs for achieving sector support/ project objectives,
- 4) Providing recommendations to the National Authorising Officer within his scope of responsibility with regards to the implementability of sector supports/measures and/or projects in the process of programming of Annual National Programmes under IPA Component I;
- 5) Reporting on irregularities, monitoring the implementation of corrective measures and recovery of funds from Contractors, Final Beneficiaries and End Recipients due to irregularities, to the National Authorising Officer,
- 6) Ensuring the implementation of corrective measures in accordance with the findings of the national auditors, European Commission Auditors and the National Authorising Officer, and respective reporting to the National Authorising Officer;
- 7) Participating in monitoring and evaluation of the IPA, IPA Component I, sector supports and projects, in line with the Implementing Agreement, referred to in Article 15 of this Decree;

- 8) Other activities set out in the Implementing Agreement, referred to in Article 15 of this Decree, the Operating Agreement, in Article 16 of this Decree, the End Recipient Agreements, in Article 17 of this Decree, and the relevant Manuals of Procedures regulating the operational activities and execution of delegated tasks, referred to in Article 18 of this Decree.

## **Senior Programme Officer**

### **Article 12**

The Programme Authorising Officer shall appoint the Senior Programme Officer in the Final Beneficiary institutions to perform tasks entrusted upon him.

The final responsibility for the entrusted functions and tasks shall remain with the Programme Authorising Officer.

The Senior Programme Officer supports the Programme Authorising Officer in contract preparation and technical implementation of contracts.

The Senior Programme Officer is responsible to the National IPA Coordinator for the achievement of objectives of sector supports, measures within sector supports and/or projects within his competence. The Senior Programme Officer is responsible to National IPA Coordinator for:

- 1) Preparation of sector support proposals, measures within sector supports and/or projects, within his competence, to be financed from EU pre-accession assistance under IPA Component I and participation in the programming process.
- 2) Ensuring the fulfilment of preconditions for implementing sector supports measures/projects and contracts;
- 3) Sustainability and use of the outputs/ results of sector supports, projects and/or measures within sector supports.
- 4) Monitoring the implementation of sector supports, projects and/or measures within sector supports, including the preparation of monitoring reports and participating in the work of relevant Sectoral Monitoring Sub-Committees, TAIB Committee and IPA Monitoring Committee in accordance with the instructions of the National IPA Coordinator from Article 4 of this Decree;
- 5) Implementing corrective measures according to the recommendations of the Sectoral Monitoring Sub-Committees, the TAIB Committee and IPA Monitoring Committee, in accordance with the Operating Agreements, referred to in Article 17 of this Decree;
- 6) Participating in the evaluations of IPA programmes in accordance with the instructions of the National IPA Coordinator from Article 4 of this Decree.

The Senior Programme Officer is responsible to Program Authorising Officer:

- 1) Preparing and submitting the required tender documentation in a timely manner;

- 2) Proposing voting members for the Evaluation Committees upon the Programme Authorising Officer's request, as well as supporting in the process of contracting;
- 3) Supporting in the process of monitoring the implementation of contracts and the verification of the eligibility of costs.

The Senior Programme Officer shall also be responsible for:

- 1) Establishing the management and control system in his/her institution, in accordance with the requirements of the National Authorising Officer and the criteria for the accreditation of the Operating Structure, as referred to in Article 8 of this Decree, as well as submitting the information and documentation required for obtaining and maintaining the accreditation to the Programme Authorising Officer;
- 2) Planning and securing the funds for national co-financing of sector supports, measures within sector supports and/or projects financed from EU pre-accession assistance under IPA Component I, in cooperation with the National Fund, from Article 7 of this Decree;
- 3) Implementing follow-up actions in response to the findings of internal and external audits and the National Authorising Officer, implementing the corrective measures and reporting thereon to the Programme Authorising Officer and the National Authorising Officer;
- 4) Other activities set out in the Operating Agreements, referred to in Article 16 of this Decree, and the relevant Manuals of Procedures regulating the operational activities and execution of delegated tasks, referred to in Article 18 of this Decree.

## **Contracting Authority**

### **Article 13**

The Contracting Authority shall be responsible for executing public procurement procedures, contracting, executing payments, accounting, monitoring of contract implementation and financial reporting with regards to the procurement of services, supplies, works and grants financed by EU pre-accession assistance under IPA Component I.

The Contracting Authority shall be responsible for:

- 1) Planning, preparing and executing public procurement procedures for the purpose of implementing sector supports and/or projects funded through Annual National Programmes under IPA Component I;
- 2) Contracting, implementing and managing contracts, as well as ensuring the control of the fulfilment of contractual obligations, either directly or by delegating the tasks to another body;
- 3) Planning financial resources based on the Procurement and Grants Plan, preparing Requests for Funds, and executing payments to Contractors;
- 4) Implementing the accounting standards and procedures in compliance with the requirements of the European Commission;

- 5) Detecting and reporting on irregularities, implementing and monitoring the implementation of corrective measures and recovery of funds from Contractors due to irregularities;
- 6) Implementing follow-up actions in response to the internal and external audit findings and implementing the corrective measures ;
- 7) Ensuring an audit trail and complying with the requirements related to reporting and providing information to the European Commission, the National IPA Coordinator, National Authorising Officer and National Fund in accordance with the Manuals of procedures regulating the operational activities and execution of delegated tasks, referred to in Article 18 of this Decree;
- 8) Other activities set out in the Manuals of procedures regulating the operational activities and execution of delegated tasks, referred to in Article 18 of this Decree.

The Contracting Authority shall execute its tasks in accordance with the principles of sound financial management.

## **IPA Unit**

### **Article 14**

State administration bodies, performing activities related to the programming and implementation of sector supports, measures within sector supports and/or projects funded by EU pre-accession assistance under IPA Component I, shall establish IPA Units, in accordance with the Law on Ministries and Special Organisations,.

The IPA Unit shall provide operational support to the Senior Programme Officer in the programming and implementation of sector supports, measures within sector supports and/or projects, referred to in the previous paragraph and shall be responsible to the Senior Programme Officer.

Programming and implementation of sector supports, measures within sector supports and/or projects shall be performed separately within the IPA Unit.

IPA Unit shall be responsible for:

- 1) Performing operational activities related to the preparation of sector supports, measures within sector supports and/or projects in the programming process;
- 2) Planning funds for the national co-financing of the approved sector supports and/or projects;
- 3) Preparing the documentation required for the implementation of the public procurement procedure;
- 4) Monitoring contract implementation, including carrying out verifications and submitting the relevant documentation and providing the information required for the preparation of the Monitoring Reports to the Senior Programme Officer;

- 5) Monitoring the implementation of sector supports, projects and/or specific measures within sector supports;
- 6) Proper and timely implementation of the procedures for identification and immediate reporting on irregularities in accordance with the established Manuals of Procedures regulating work arrangements and performance of delegated tasks;
- 7) Participating in the organisation of IPA programmes evaluation process;
- 8) Ensuring the audit trail and compliance with the requirements related to reporting and providing information to the Programme Authorising Officer, the National Authorising Officer and National IPA Coordinator, in accordance with the Manuals of procedures regulating work arrangements and performance of delegated tasks, referred to in Article 18 of this Decree;
- 9) Other activities set out in the Operating Agreements, referred to in Article 16, End Recipient Agreements, referred to in Article 17, as well as the Manuals of procedures regulating the operational activities and execution of delegated tasks, referred to in Article 18 of this Decree.

The IPA Unit shall perform its tasks in accordance with the principle of sound financial management.

#### **IV RELATIONS BETWEEN RESPONSIBLE PERSONS AND BODIES FOR THE IMPLEMENTATION OF PROGRAMMES OF EU PRE-ACCESSION ASSISTANCE UNDER IPA COMPONENT I**

##### **Implementing Agreement for the implementation of Sector supports and Projects Funded under IPA Component I - Transition Assistance and Institution Building**

###### **Article 15**

The National IPA Coordinator, the National Authorising Officer and the Programme Authorising Officer shall sign the Implementing Agreement on Sector supports and Projects Funded under IPA Component I – Transition Assistance and Institution Building which defines their mutual rights and obligations concerning the preparation, coordination, implementation, monitoring, evaluation and reporting on the implementation of sector supports and/or projects funded under IPA Component I, within the framework of this Decree.

##### **Operating Agreements on Programming, Implementation, Monitoring and Evaluation of Projects Funded under IPA Component I - Transition Assistance and Institution Building**

###### **Article 16**

The National IPA Coordinator, the Programme Authorising Officer and the Senior Programme Officer shall sign the Operating Agreement on Programming, Implementation, Monitoring and Evaluation of Projects Funded under IPA Component I – Transition Assistance

and Institution Building which defines their mutual rights and obligations concerning the preparation, coordination, implementation, monitoring, evaluation and reporting on the implementation of sector supports and/or projects funded under IPA Component I, within the framework of this Decree.

## **End Recipient Agreement**

### **Article 17**

The End Recipient Agreements shall, if necessary, be concluded between the Programme Authorising Officer, the Senior Programme Officer and the End Recipient, in accordance with the provisions of the Financing Agreements, based on which the Annual National Programmes under IPA Component I are implemented, before the conclusion of the contracts with Contractors for the purpose of implementation of sector supports and/or projects.

The content of the End Recipient Agreement shall depend on the nature of the project, the content of the contract to be concluded with Contractors, the legal status and position of the End Recipient, based on which mutual rights and obligations of the agreement signatories are regulated.

## **Manuals of Procedures Regulating the Operational activities and Execution of Delegated Functions/Tasks**

### **Article 18**

For the purpose of efficient performance of delegated tasks and detailed regulation of operational activities in the processes of programming, implementation, monitoring and evaluation of sector supports and/or projects funded by EU pre-accession assistance under IPA Component I, responsible persons and bodies, as defined in Article 3 and 9 of this Decree, shall establish relevant Manuals of Procedures regulating the operational activities and execution of delegated functions/tasks.

The Manuals of Procedures regulating the operational activities and execution of delegated functions/tasks by responsible persons and bodies constituting the Operating Structure, from Article 9 of this Decree, shall be approved by the National Authorising Officer.

The Competent Accrediting Officer shall approve the Manuals of Procedures regulating the operational activities and execution of delegated functions/tasks of the National Authorising Officer / National Fund.

The Competent Accrediting Officer shall also prepare and approve the Manuals of Procedures regulating his operational activities as well as the activities of his support staff.

The Manuals of Procedures regulating the operational activities and execution of delegated functions/tasks are an integral part of the Accreditation Package to be submitted to the European Commission, together with the Application for Conferral of Management Powers of programmes of EU pre-accession assistance under IPA Component I.

The responsible persons and bodies shall in their work apply procedures as defined in this Article.

## **V IRREGULARITY MANAGEMENT**

### **Irregularities**

#### **Article 19**

The National Authorising Officer shall be responsible for the investigation of irregularity signals and follow-up of cases of confirmed irregularities, as well as reporting on irregularities to the European Commission.

The National Authorising Officer shall provide binding instructions to responsible persons and bodies from Article 3 of this Decree, and the Final Beneficiaries/End Recipients with regard to the necessary measures to be taken in order to prevent and counter irregularities.

A civil servant, an employee or a third person shall report any discrepancy, inconsistency or infringement of regulations which constitute irregularity or raise reasonable doubt that the irregularity occurred.

The manner of reporting and the measures in connection with irregularities shall be regulated under the Implementing Agreement, from Article 15, the Operating Agreement, from Article 16 of this Decree, and the Manuals of procedures regulating the work arrangements and execution of delegated functions/tasks, from Article 18 of this Decree.

A civil servant or an employee of a body involved in the implementation of an EU pre-accession assistance programme under IPA Component I shall sign a Statement of Awareness confirming familiarity with the definition of irregularity and with the system of reporting on irregularities.

A civil servant, an employee or a third person who reports a suspected irregularity during the implementation of an EU pre-accession assistance programme under IPA Component I, shall not be subject to the initiation of disciplinary procedure, adoption of a decision on employment contract termination or be subject to any other measure with adverse effect on the employment status for reporting an irregularity signal, pursuant to the Law on the Anti-Corruption Agency (“Official Gazette of the Republic of Serbia”, No. 97/2008, 53/2010, Article 56) and the Rulebook on Protection of Persons Who Report Suspicion of Corruption (“Official Gazette of the Republic of Serbia”, No. 56/2011) and other legal acts pertaining to the protection of whistleblowers.

The identity of the civil servant, the employee or the third person, who reports an irregularity, shall be kept confidential, in accordance with the regulations.

The National Authorising Officer, from Article 6 of this Decree, shall be responsible for the coordination of all legislative, administrative and operational aspects of protection of EU financial interests and close cooperation with the European Anti-Fraud Office (OLAF).

The National Authorising Officer shall also be responsible for ensuring proper means of reporting and follow up with the authorised national bodies on measures taken with regards to cases of suspected fraud.

## **Recovery of Funds**

### **Article 20**

The Beneficiary of IPA funds, pursuant to Article 29 of the Law on endorsing the Framework Agreement between the Government of the Republic of Serbia and the Commission of the European Communities on the Rules for Co-Operation concerning EC - Financial Assistance to the Republic of Serbia in the Framework of the Implementation of the Assistance under the Instrument for Pre-Accession Assistance (IPA), shall perform a recovery of unduly disbursed funds.

For payments not executed on legal grounds, recovery of funds in the corresponding amount shall be performed in accordance with the Implementing Agreement, from Article 15, Operating Agreement, from Article 16, the End Recipient Agreement, from Article 17, and the relevant Manuals of Procedures from Article 18 of this Decree.

The contracts concluded between the Programme Authorising Officer and the Contractor shall contain provisions regarding the recovery of unduly disbursed funds and the possibilities for the offsetting of debts.

## **VI PROGRAMMING OF EU PRE-ACCESSION ASSISTANCE UNDER IPA COMPONENT I**

### **Article 21**

The National IPA Coordinator shall be responsible for annual programming of IPA Component I at national level and establishing procedures for programming of IPA Component I, as well as roles and responsibilities of all institutions involved in the programming process.

The National IPA Coordinator shall determine the schedule and provide guidelines for annual programming of IPA Component I.

Senior Programme Officers, and other state authorities, special organizations, Government services, the National Bank of Serbia, the National Assembly of the Republic of Serbia and other institutions and organisations, in accordance with the Manuals of procedures regulating work arrangements and performance of delegated functions/tasks, from Article 18 of this Decree, and with the guidelines of the National IPA Coordinator, shall participate in the programming process.

In order to ensure coordination and efficiency of the programming process, National IPA Coordinator establishes Sector Working Groups. Main tasks of Sector Working Groups are proposing priorities for annual programming of IPA and ensuring coordination with other sources of funding.



Members of Sector Working Groups are ministries, special organizations, Government services, the National Assembly and the National Bank of Serbia. Senior Programme Officers are members of Sector Working Groups.

National IPA Coordinator establishes rules of procedures for the Sector Working Groups.

During the programming process, the National IPA Coordinator consults with the National Authorising Officer with regards to the capacity of the Final Beneficiaries to implement sector supports and/or projects.

## **VII MONITORING AND EVALUATION OF PROGRAMMES OF EU PRE-ACCESSION ASSISTANCE UNDER IPA COMPONENT I**

### **IPA Monitoring Committees**

#### **Article 22**

IPA Monitoring Committee for all IPA Components shall be the body responsible for monitoring the implementation of the entire EU pre-accession assistance implemented under IPA.

The National IPA Coordinator Technical Secretariat shall act as the secretariat of the IPA Monitoring Committee and be responsible for the preparation and submission of all materials to be reviewed and discussed by the Committee.

The Transition Assistance and Institution Building Monitoring Committee (TAIB Committee) shall be responsible for monitoring the implementation of programmes under IPA Component I.

The National IPA Coordinator Technical Secretariat shall act as the secretariat of the TAIB Committee and be responsible for the preparation and submission of all materials to be reviewed and discussed by the Committee.

The National IPA Coordinator shall establish Sectoral Monitoring Sub-Committees.

The NIPAC Technical Secretariat shall act as the secretariat of the Sub-Committees and be responsible for the preparation and submission of all materials to be reviewed and discussed by the Sub-Committee.

The scope of work, membership, chairing, reporting and the schedule of meetings shall be regulated under relevant Rules of Procedure for every Committee and Sub-committee individually, at the proposal of the Secretariat of the Committee and Sub-Committee, in accordance with the relevant Manuals of procedures regulating the operational activities and execution of delegated functions/tasks, from Article 18 of this Decree, established by the National IPA Coordinator.

## **Evaluation of IPA Programmes**

### **Article 23**

Interim Evaluation of programmes of EU pre-accession assistance under IPA Component I shall be performed in accordance with relevant Manuals of Procedures regulating the operational activities and execution of delegated functions/tasks, from Article 18 of this Decree, established by the National IPA Coordinator.

## **VIII CONTROL AND AUDIT UNDER DECENTRALISED MANAGEMENT**

### **Control and audit of Contractors, Final Beneficiaries and End Recipients**

#### **Article 24**

Bodies and responsible persons constituting Operating Structure, as defined in Article 9 of this Decree, the National Fund, from Article 7 of this Decree, may conduct on-the-spot checks and audits of Contractors, Grant Beneficiaries, Final Beneficiaries and End Recipients, for the purpose of controlling the fulfilment of contractual obligations.

The Contractors, the Final Beneficiaries and the End Recipients shall be subject to audits by the Audit Authority, the European Commission, European Anti-Fraud Office and European Court of Auditors, in accordance with Article 27 of the Framework Agreement.

The Contractors, the Final Beneficiaries and the End Recipients, shall ensure access for bodies, referred to in paragraphs 1 and 2 above, to their premises, employees and the relevant documentation pertaining to the contracts in implementation, which are financed from EU pre-accession assistance, in accordance with the Operating Agreements from Article 16 of this Decree, End Recipient Agreements, from Article 17 of this Decree and the provisions of the contract signed by the Programme Authorising Officer, from Article 11 of this Decree, and the Contractors.

The Contractors, the Final Beneficiaries and the End Recipients shall retain all documentation in accordance with the provisions of the signed Financing Agreements, based on which Annual National Programmes are implemented under IPA Component I.

### **Control and Audit of the Operating Structure**

#### **Article 25**

The National Fund, as referred to in Article 7 of this Decree, the National IPA Coordinator Technical Secretariat, from Article 10, and the Contracting Authority, from Article 13 of this Decree, may conduct on-the-spot checks of the bodies constituting the Operating Structure, from Article 9 of this Decree, within the scope of their competencies.

The responsible persons and bodies comprising the Operating Structure from Article 9 of this Decree shall be subject to audits by the Audit Authority, the European Commission, European Anti-Fraud Office and European Court of Auditors, in accordance with Article 27 of the Framework Agreement.

The Operating Structure shall provide the representatives of the bodies and authorities, referred to in paragraphs 1 and 2 above, with access to their staff, premises and relevant

documentation pertaining to IPA programmes and funds, pursuant to the provisions of the signed Financing Agreements, based on which Annual National Programmes under IPA Component I are implemented.

Bodies and responsible persons constituting the Operating Structure, from Article 9 of this Decree, shall provide the bodies, referred to in paragraphs 1 and 2 above, with access to their premises, staff and relevant documentation for at least three years following the closure of the Annual National Programmes under IPA Component I.

## **Internal Audit**

### **Article 26**

Internal audit of the management system of programmes of EU pre-accession assistance under IPA Component I shall be performed by the internal auditors within the state administration bodies at least once annually.

The Internal Auditors from paragraph 1. shall submit audit reports to the head of the state administration body and copies directly to the National Authorising Officer, the National IPA Coordinator and the Programme Authorising Officer.

The Senior Programme Officer, from Article 12 of this Decree shall inform the National Authorising Officer, from Article 6 of this Decree, as well as the National IPA Coordinator and the Programme Authorising Officer on the audit findings and recommendations, and measures undertaken or to be undertaken with respect to the accepted audit findings.

## **VII FINAL PROVISIONS**

### **Repeal of the Previous Regulation**

#### **Article 27**

The Decree on the Decentralised Management of EU Pre-Accession Assistance under IPA (“Official Gazette of the Republic of Serbia”, No. 70/2011 and 49/2012) shall be repealed with effect from the date of entry into force of this Decree.

### **Entry into Force**

#### **Article 28**

The Decree shall enter into force eight days after its publication in the “Official Gazette of the Republic of Serbia”.

05 Number: 110-8830/2013  
Belgrade, 21<sup>st</sup> of October, 2013

GOVERNMENT